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Follow-up to the World Summit for Social Development and the twenty-fourth special session of the General Assembly: priority theme: poverty eradication

Statement submitted by the International Council on Social Welfare, a non-governmental organization in consultative status with the Economic and Social Council

The Secretary-General has received the following statement, which is being circulated in accordance with paragraphs 36 and 37 of Economic and Social Council resolution 1996/31.

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Statement

Introduction

Multiple crises are the global order of the day. Crises, including those related to fuel, food, climate change, and financial and economic conditions, are now a regular and continuing feature of global development. The growing inequalities between and within countries are having an impact on social development, notably poverty eradication, in an increasingly negative way. In the face of continuing global crises, it is crucial to formulate poverty eradication strategies. We need social protection measures that can maintain and consolidate the previous development gains, prevent the generation of new poor and prevent the previously poor from being pushed back into poverty.

Crises of sorts and poverty[1]

There are really no new stories to tell about global poverty or its numbers or analysis, except that things have worsened in the past year with the growing global financial and economic crisis.

On one hand, and this is the good news, the world is on track to halve extreme poverty, in terms of Goal 1 of the Millennium Development Goals. The incidence of poverty has fallen by 40 per cent since 1990. On the other hand, and this is the bad news, the absolute number of people living below $1.25 a day has been rising, particularly in sub-Saharan Africa and West and South Asia.

It is estimated that the economic crisis pushed an additional 64 million people into extreme poverty at the end of 2010.

To make matters worse, in the face of all these crises, about 5.1 billion people, or 75 per cent of the world's population, are not protected by adequate social security.

These multiple crises demonstrate the weaknesses in international financial and economic systems and in global economic governance.

Social protection floor strategy for poverty eradication

In response to the multiple global crises and their socio-economic impact, more and more Government and civil society leaders, United Nations bodies, policymakers and development professionals are calling attention to the values of social justice, human rights, equity and social inclusion and decent jobs in the campaign to eradicate poverty.

The call is for a social protection floor to be established in all countries. The Social Protection Floor Initiative is anchored in a set of basic social rights, services and facilities derived from human rights treaties. In 2009 the United Nations agencies and international financial institutions agreed on a system-wide response to the economic and financial crisis, including the concept of a social protection floor.

[1] Unless otherwise stated, data and figures cited in the text are derived from the report of the Social Protection Floor Advisory Group entitled *Social protection floor for a fair and inclusive globalization*.

The International Council for Social Welfare has supported this initiative since the initiative's inception by the United Nations, as we are convinced that this is the way forward to address the social challenges confronting the world today.

Leaders of the Group of 20 have consistently identified, since 2009, social protection, alongside measures to support employment and decent work, as a key policy in their response to the global crisis. They committed $50 billion to support social protection, boost trade and safeguard development in low-income countries, as part of the significant increase in crisis support for those and other developing countries and emerging markets. They pledged to make resources for social protection available to the poorest countries, including by investing in long-term food security and through voluntary bilateral contributions to the World Bank Group's Vulnerability Framework, including the Infrastructure Crisis Facility, and the Rapid Social Response Multi-Donor Trust Fund.

In May 2011, the Latin American and Caribbean countries in the Group of 20, namely, Argentina, Brazil and Mexico, signed the Declaration of Brasilia on the Social Protection Floor. They agreed to coordinate their positions within the process of the Group of 20 and to promote:

(a) The development of better social protection coverage;

(b) Cooperation among international organizations and countries to facilitate the development of sustainable national social protection systems;

(c) Support from the International Labour Organization (ILO) for countries to monitor the implementation of social protection floors;

(d) Greater cooperation and exchange of knowledge on social protection and increased support for low-income countries to implement social protection policies.

At the close of the meeting of Labour and Employment Ministers of the Group of 20 in September 2011, the Ministers, in calling for social protection floors, stated:

> An investment in social protection floors is an investment in social justice, stability, economic and labour market development. The benefits of social protection — social security and labour protection — are widely recognized. It increases the health and welfare of the population and consolidates social cohesion. Effective social protection systems contribute to building resilience to economic shocks and mitigating the impact of crises, and help to rebalance long-term growth.

In November 2011, the Leaders of the Group of 20, in their Cannes Summit Final Declaration, stated:

> We recognize the importance of investing in nationally determined social protection floors in each of our countries, such as access to health care, income security for the elderly and persons with disabilities, child benefits and income security for the unemployed and assistance for the working poor. They will foster growth resilience, social justice and cohesion. In this respect, we note the report of the Social Protection Floor Advisory Group, chaired by Ms. Michelle Bachelet.

It is important to note that the business organizations ("Business 20", or B20) and the trade union organizations ("Labour 20", or L20) from the countries of the Group of 20 also issued a joint statement to support the social protection floors:

> The B20 and the L20 draw the attention of the Governments gathered in Cannes on 3-4 November 2011 to the key elements that can make nationally defined social protection floors relevant in all countries. This includes planning to ensure the sustainable financing of social protection floors nationally, the help that international organizations can provide in the capacity-building necessary for implementation, the role of international assistance in establishing social protection floors where none exist, the benefit of drawing conclusions from the experience of countries having defined sustainable social protection nets, the introduction of incentives to encourage formalization of the economy and employment, the importance of both a demographic and a rights-based approach to social protection and the need to design the floors, preferably after consultation of social partners.

In South-East Asia, at the Sixth ASEAN GO-NGO Forum for Social Welfare and Development, held in Bangkok in September 2011, the participants of the Forum gave their support to the establishment of a social protection floor. They agreed on the need to strengthen cooperation among ASEAN member States towards universal coverage of social protection to the peoples of ASEAN.

The International Trade Union Confederation, in supporting the Social Protection Floor Initiative, went further to demand that the participants at the United Nations Conference on Sustainable Development, to be held in Rio de Janeiro, Brazil, in 2012, acknowledge social protection systems as key tools to build resilience and called for maintaining and strengthening existing social protection systems.

At the country level, more than 30 countries are committed to planning and implementing the Social Protection Floor Initiative.

The recommendations of the International Council on Social Welfare reflect that there is no one-size-fits-all answer.

Policy directions

The social protection floor strategy's principles of universality, solidarity, equitability, sustainability, the promotion of the responsibility of individuals and the concentrating of support to the poor converge with those guiding the implementation of the social protection floor worldwide.

The linkages between access to basic social services, active labour market policies and income support measures must be explored with a view to the increased employability of the poor and the vulnerable, especially women.

Although the responsibility for poverty eradication ultimately rests with individual countries, poverty eradication is a shared responsibility because the roots of poverty are as much global as local. International partners can and must support and enhance individual countries' commitments to the above-mentioned pursuits. In this regard, international donors and institutions must continue to honour their development aid commitments. Multilateral institutions, such as the United Nations bodies and regional commissions and the World Bank and regional development

banks, have to heed the criticisms concerning their poverty reduction operations, the resources they consume and the impact of their programmes on poverty. These institutions should remain at the front line in international development efforts, and their international, regional, and bilateral assistance must be better coordinated, less competitive and more committed to narrowing the gap between words and institutional action.

Economic growth and jobs alone will not eradicate poverty. Nor will improved trade or investments alone be successful.

World development is characterized by one crisis after another, and each crisis has had an impact on the partial gains made in poverty reduction and has generated millions of additional new poor.

Social protection for all is essential in an era of regular global crises, economic insecurity and accompanying informalization and casualization trends in the labour market.

Social protection is about preventing, supporting and promoting. It is not only about protection but also about empowerment. It is not to create dependency but to unlock the productive capacity of women and men to participate in the economic, social and political activities as workers, employers, consumers and citizens.

The concept of a social protection floor addresses essential rights and embraces all these elements: policy coherence, gradualism starting from the basics, sustainability and empowerment.

Social protection brings a triple benefit. It:

(a) Protects people from becoming trapped in poverty;

(b) Empowers them to seize market opportunities;

(c) Contributes to aggregate demand by increasing purchasing power and reducing precautionary savings.

Recommendations

First, establishing a social protection floor is a matter of political will. The International Council on Social Welfare asks every Government to establish a vision for social protection, including sets of principles, defined ground rules for the type of societies we want, a preparedness to overcome fiscal constraints and readiness to make hard decisions and push forward.

Second, Juan Somavia, the Director-General of ILO, rightly says that the world does not lack the resources to eradicate poverty; it lacks the right priorities. Based on ILO estimates, a tax-financed social protection floor is an achievable medium-term objective, even in very low-income countries. Therefore, the International Council on Social Welfare seeks, at least in the short-term, international financial support to assist least developed countries to establish and phase in social protection schemes.

Third, sustainable social protection demands a major national effort in social dialogue to shape common objectives and strategies that respond to national specificity. To achieve this, Governments need to take the lead in empowering

citizens and civil society organizations to take responsibility for and the initiative in programmes to relieve poverty.

Fourth, while adopted as a universal concept, the social protection floor should be nationally shaped within a framework of country-specific institutional structures, economic constraints, political dynamics and social aspirations. There is no one-size-fits-all solution.

Finally, as economies grow and financial and fiscal space widens, a further increase in the level of protection should be envisaged. The floor cannot become a ceiling. It should be understood as the first step towards providing higher levels of protection, as well as creating the conditions for successful insertion of the poor and disadvantaged in the labour market. Thus, the final recommendation is for Governments to determine a longer-term growth path for their national social protection floor.